

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1822 Session of 2019

INTRODUCED BY M. K. KELLER, GALLOWAY, BERNSTINE, BOBACK, CIRESI, GAYDOS, GLEIM, JONES, JOZWIAK, KAUFER, LONGIETTI, MILLARD, PYLE, SAYLOR, ZABEL AND ZIMMERMAN, SEPTEMBER 17, 2019

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, MARCH 25, 2020

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for cancer control, prevention and
4 research, for ambulatory surgical center data collection, for
5 the Joint Underwriting Association, for entertainment
6 business financial management firms, for private dam
7 financial assurance and for reinstatement of item vetoes;
8 providing for the settlement, assessment, collection, and
9 lien of taxes, bonus, and all other accounts due the
10 Commonwealth, the collection and recovery of fees and other
11 money or property due or belonging to the Commonwealth, or
12 any agency thereof, including escheated property and the
13 proceeds of its sale, the custody and disbursement or other
14 disposition of funds and securities belonging to or in the
15 possession of the Commonwealth, and the settlement of claims
16 against the Commonwealth, the resettlement of accounts and
17 appeals to the courts, refunds of moneys erroneously paid to
18 the Commonwealth, auditing the accounts of the Commonwealth
19 and all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or

1 other moneys to the Commonwealth, or any agency thereof,
2 every State depository and every debtor or creditor of the
3 Commonwealth," in Local Government Capital Project Loan Fund,
4 further providing for definitions, for assistance to
5 municipalities and for powers and duties of department.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The definition of "municipality" in section 1602-
9 D of the act of April 9, 1929 (P.L.343, No.176), known as The
10 Fiscal Code, is amended to read:

11 Section 1602-D. Definitions.--As used in this article--

12 * * *

13 "Municipality" shall mean any borough, town, first class
14 township, second class township, third class city or county,
15 provided that the term shall not include any boroughs, towns,
16 townships, cities or counties which have a population in excess
17 of [12,000] 15,000.

18 Section 2. Sections 1603-D(a) and (b) and 1605-D of the act
19 are amended to read:

20 Section 1603-D. Assistance to Municipalities.--(a) The
21 department is hereby authorized, upon application of a
22 municipality, to make loans to the municipality for the
23 following purposes and in the following amounts:

24 1. Purchasing equipment. The amount of a loan made for
25 purchasing equipment shall not exceed [fifty thousand dollars
26 (\$50,000)] one hundred fifty thousand dollars (\$150,000) for any
27 single piece of equipment or fifty per centum of the total cost
28 of the piece of equipment, whichever is less.

29 2. Purchasing, constructing, renovating or rehabilitating
30 facilities. The amount of a loan made for purchasing,
31 constructing, renovating or rehabilitating facilities shall not
32 exceed [one hundred thousand dollars (\$100,000)] two hundred and

1 fifty thousand dollars (\$250,000) for any single facility or
2 fifty per centum of the total cost for purchasing, constructing,
3 renovating or rehabilitating the facility, whichever is less.

4 (b) Loans made by the department for the purchase of
5 equipment shall be for a period not to exceed the useful life of
6 the equipment, and loans made for the purchase, construction,
7 renovation or rehabilitation of facilities shall be for a period
8 of not more than fifteen years. Loans shall be subject to the
9 payment of interest at [two per centum per annum and] a rate set
10 at the ten-year United States Treasury rate rounded to the
11 closest quarter point, NOT TO EXCEED TWO PER CENTUM PER ANNUM. <--
12 Loan applications shall be subject to the interest rate in
13 effect at the time a complete application is submitted to the
14 department, which shall be the fixed rate for the full term of
15 the loan. Loans shall be subject to such security as shall be
16 determined by the department. The total amount of interest
17 earned by the investment or reinvestment of all or any part of
18 the principal of any loan shall be returned to the department
19 and transferred to the fund and shall not be credited as payment
20 of principal or interest on the loan. The minimum amount of any
21 loan shall be one thousand dollars (\$1,000). The municipality
22 shall comply with the approval requirements of 53 Pa.C.S. Ch. 80
23 Subch. C (relating to procedure for securing approval of
24 electors).

25 * * *

26 Section 1605-D. Powers and Duties of Department.--In
27 addition to the powers and duties conferred upon the department
28 under other provisions of law, the department shall have the
29 power and duty to:

30 1. Lend money for the purposes authorized by this article

1 over a term of years, but in no case in excess of [~~ten~~] fifteen
2 years.

3 2. Accept grants from the Federal Government and any other
4 individual, agency or government for use in the fund.

5 3. Prescribe the form of the application for a loan pursuant
6 to this article.

7 4. Advise a municipality regarding the financial ability of
8 the municipality to purchase equipment or to purchase,
9 construct, renovate or rehabilitate facilities.

10 5. Assist a municipality in taking advantage of joint
11 purchasing arrangements and of opportunities to purchase surplus
12 equipment from the Commonwealth or other political subdivisions.

13 6. Require security for a loan, if determined to be
14 necessary.

15 7. Specify priority of liens against any facilities or
16 equipment purchased by a municipality using funds loaned
17 pursuant to this article, if determined to be necessary.

18 8. Establish a schedule which provides at least an annual
19 opportunity for municipalities to apply for and receive loans.

20 Section 3. This act shall take effect in 60 days.